



West Virginia Surface Owners' Rights Organization
1500 Dixie Street, Charleston, WV 25311
(304) 346-5891 - www.wvsoro.org

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Contact: David McMahon, WV Surface Owners' Rights Organization, (304) 415-4288, wv.david@wvdavid.net

**Surface Owners' Rights Organization disappointed
by Diversified Actions with DEP.**

(Charleston, WV) Diversified Gas and Oil and its subsidiaries are acquiring 17,000 West Virginia oil and gas wells. These wells will need plugged at the end of their useful lives. But almost all of them are older conventional vertical wells that will have drastically reduced production as the time to plug them nears.

West Virginia Surface Owner's Rights Organization (WVSORO) has already asked for a hearing at the Department of Environmental Protection to oppose the transfer of more than 3000 of those wells from EQT to Diversified. WVSORO did so because it believes that EQT, which can afford to plug the wells when the time comes using its new Marcellus well production proceeds, is shedding its plugging responsibility to Diversified, and that Diversified will not in the long run have the funds to plug most of the thousands of those wells.

Today Diversified announced that the West Virginia Department of Environmental Protection has entered into an agreement with Diversified that sets limits on its plugging responsibility for the next 15 years.

Right now Diversified owns over 500 wells with no reported production and should be being plugged. It hopes to put some of them back in production avoiding the presumption that they should be being plugged.

According to Diversified's release, the agreement only requires them to plug at least 310 out of 17,460 wells in the next 15 years (until 2034). That is less than 2% of their wells. During this period Diversified has estimated the production from the majority of their wells will decline by about 5% a year. At that rate Diversified will have less than half of their current production after 15 years to pay for plugging the rest of their wells when their time comes, but Diversified will still have 98% of their wells.

(More)

"I have never been so disappointed in the D.E.P." said Dave McMahon, a lawyer and co-founder of the West Virginia Surface Owner's Rights Organization. "Weak laws and unsuccessful enforcement policies have already led to 4000 orphaned wells on farmers and surface owners across the State because the Drillers of those wells have gone out of business. Diversified is taking the same problems that lead to those 4000 orphaned wells to another level. I think the DEP should fight back harder, and the Legislature needs to do something about it too."

Unplugged wells decrease surface owners' property values. Most of the surface owners did not own the minerals under their land and so never received royalties, just the just got well pads imposed on their surface. The casing of unplugged oil and gas wells will go bad, and when that happens it can lead to the escape of gas into the atmosphere and groundwater, other groundwater pollution, and a mess on the surface.

A photo gallery with examples of unplugged orphaned wells is available at <https://wvsoro.org/orphaned-wells/>.

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